WASHINGTON UTC UTILITIES AND TRANSPORTATION COMMISSION

Pipeline Safety Program
Measuring Progress

Ensure public health, safety and environmental quality

Second UTC GMAP Briefing

July 28, 2005

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Pipeline Safety Program Mission

Ensure public health, safety and environmental quality by:

- Conducting thorough inspections of hazardous liquid and natural gas pipeline companies;
- Improving safety laws and regulations;
- Educating local communities on pipeline safety issues;
- Responding to and investigating incidents;
- Providing technical assistance to pipeline operators, local governments and communities; and
- Enforcing laws and regulations in a fair and equitable manner.

Pipeline Program Activities

Section employees are assigned to the following activities:

1. Inspect companies' practices, operations and facilities
2. Provide technical assistance to companies & local governments
3. Follow-up on identified problems to confirm company makes needed corrections
4. Investigate pipeline accidents
5. Maintain pipeline GIS to support local governments and UTC inspection program
6. Support Governor's citizens committee on pipeline safety
7. Work with companies, local governments & public to improve public awareness of pipeline safety

Pipeline Program Measures

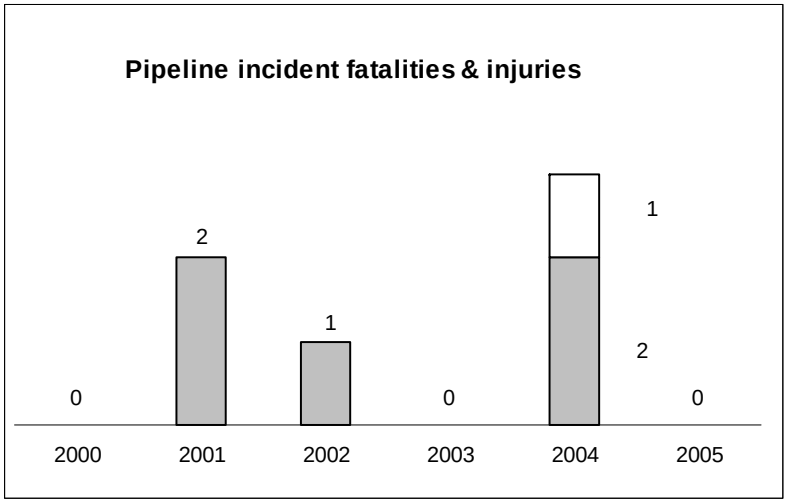
1. Number of injuries and fatalities
2. Amount of property damage
3. Number of pipeline accidents
4. Office of Pipeline safety certification score
5. Probable Violations

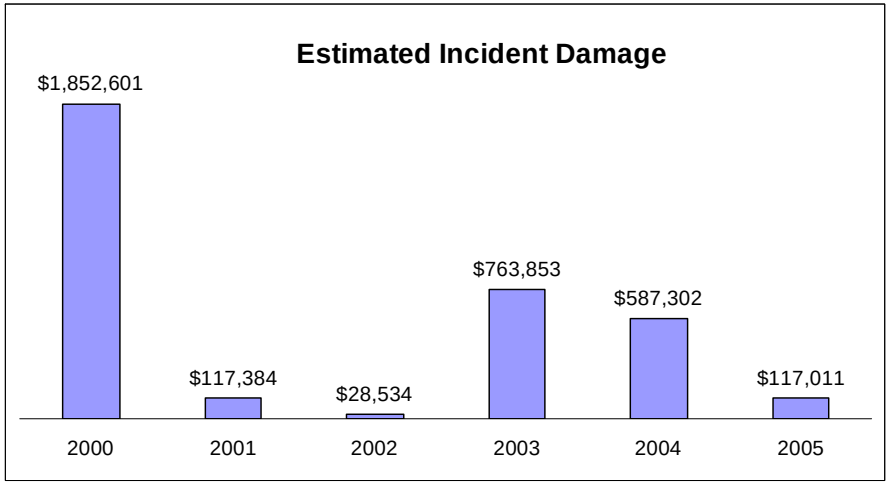
Fatalities, injuries and damage

Measure: Fatalities, injuries & property damage

Strategic Goal: Save lives and property

Data Source: Incident data provided to program by regulated companies





Discussion:

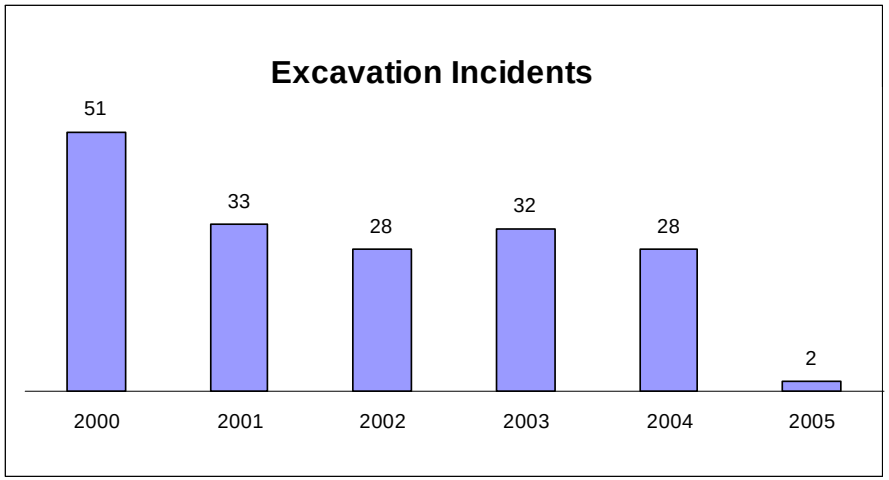
- Protecting life & property is our ultimate goal
- Many intervening factors affecting pipeline incidents.
- Injuries and fatalities relatively low.
- Tidewater incident in 2000

Number of Excavator-Caused Incidents

Measure: Number of incidents caused by digging, often referred to as “third-party” incidents

Strategic Goal: Reduce third-party caused accidents

Data Source: Incident reports filed with pipeline safety program



Discussion:

- Damage caused by others is the most common form of damage to gas distribution systems
- Third party incidents should be preventable through public awareness and enforcement efforts

Next Steps:

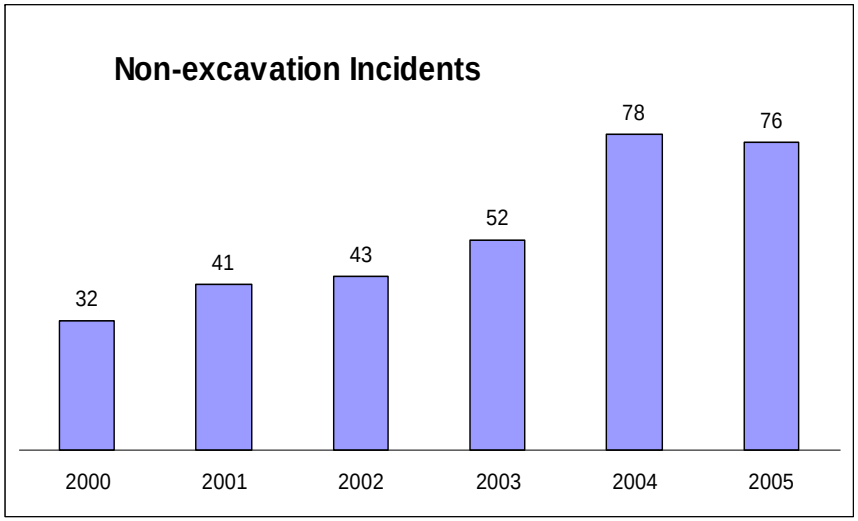
- Correct problems with data.
- Correct for differences in reporting thresholds
- Encourage more consistent reporting by companies

Incidents Caused by Non-Excavators

Measure: Number of incidents caused by other than an excavator

Strategic goal: Reducte incidents

Data source: Incident reports filed with pipeline safety program.



Discussion:

- Corrosion is leading cause of failure in transmission pipelines.
- Data dispels previous notion that most incidents are third-party damage. Non-3rd party incidents are more likely to require follow up and reflect possible problems with a pipeline's operation.

Next Steps:

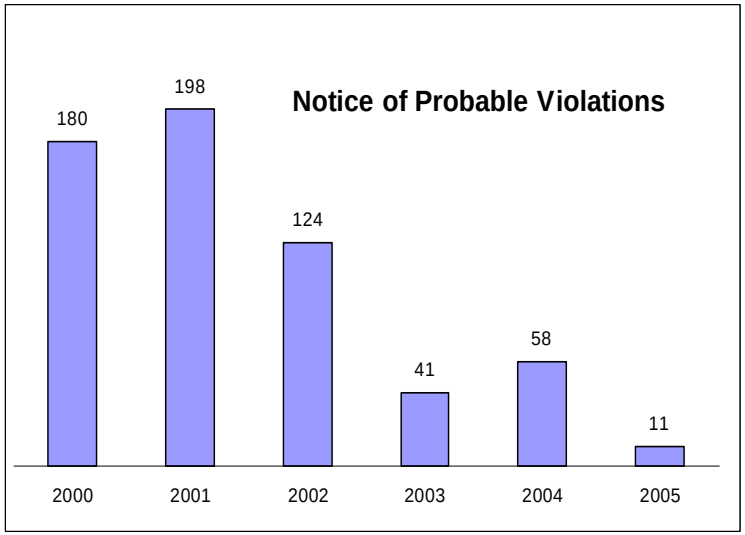
- Correct internal recordkeeping problems with data.
- Correct for differences in reporting thresholds
- Encourage more consistent reporting by companies

Number of Probable Violations

Measure: Number of staff identified violations, referred to as "probable violations" involving intra-state companies

Strategic goal: Safer pipeline system

Data source: Pipeline safety database



Discussion:

- Number of probable violations is an indicator of program vigilance
- A decrease in probable violations should indicate that pipeline operators are being more diligent
- Violation count does not include number of days rule was violated

Next Steps:

- Track number of violations that go to formal complaint
- Develop method to track probable violations by interstate companies
- Develop a measure for compliance activities

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About the Pipeline Program

- Annual budget of $2.2 million.
- 14 fulltime employees
- One of only 4 state programs with interstate agent authority for gas and hazardous liquids
- Kentucky is only other state with a citizen advisory committee
- Near perfect program audit scores for the past three years

Pipeline Operational Measures

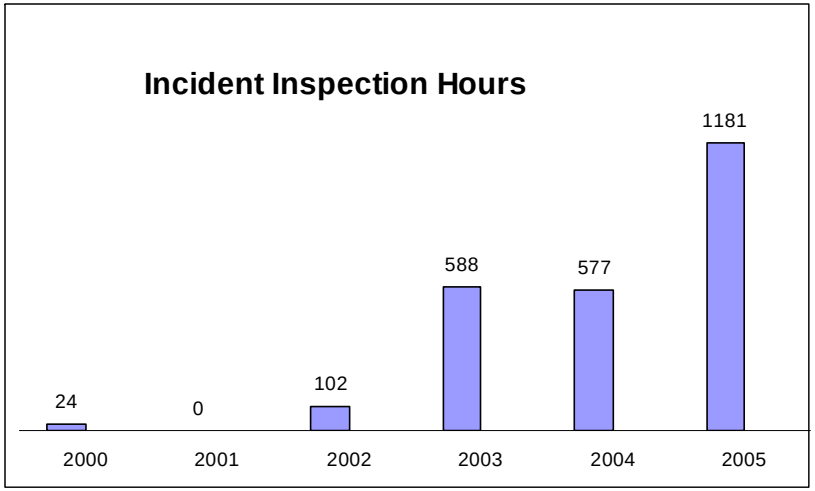
1. Incident inspection hours
2. Results of annual OPS program audit
3. Program expenditures
4. Annual performance evaluations

Incident Investigation Hours

Measure: Number of incident inspection hours

Strategic Goal: Learn lessons to prevent future accidents

Data Source: Pipeline Safety timekeeping system



Discussion:

- One measure of how program is spending time
- Shows demands of recent incidents
- No real data for 2000 and 2001

Next Steps:

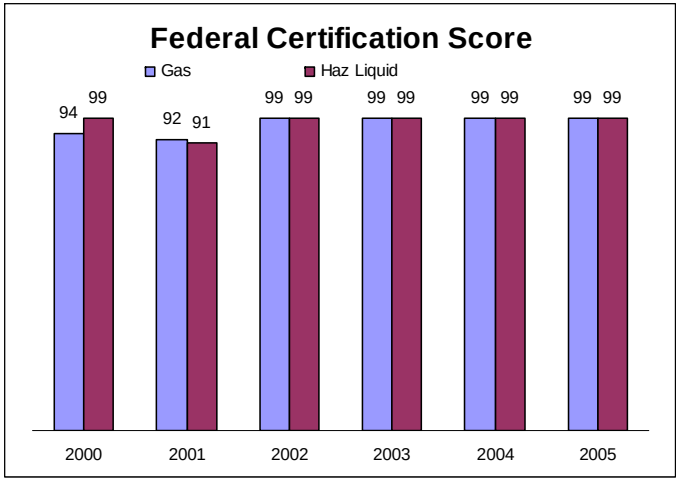
- Perfect what hours are included in this measure by tracking through docket number
- Develop other measures to determine what percentage of time goes to each program activity such as field time

Score on Annual Federal Audit

Measure: Score on annual Office of Pipeline Safety program audit

Strategic Goal: Maintain certification with high score to increase level of federal funding

Data Source: Office of Pipeline Safety



Discussion:

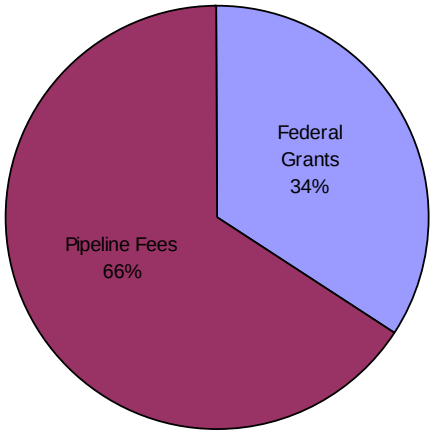
- Annual audit reviews inspection data and records and observes inspectors in the field
- High scores reflect quality of program
- Level of federal funding determined by audit score

Next Steps:

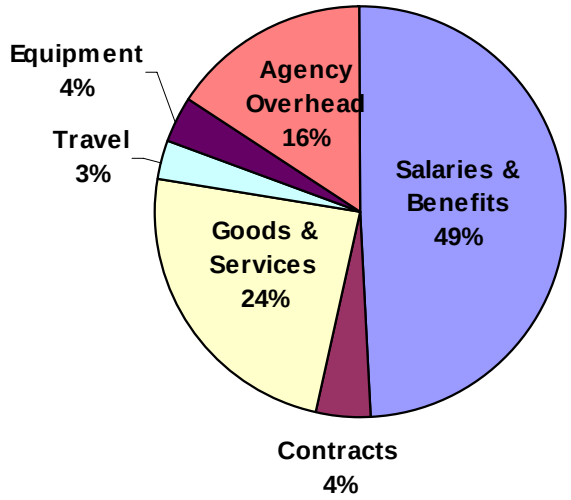
- Compare scores with similar state programs (New York, Arizona, Minnesota)

Biennium Revenue & Expenses

2005-07 Revenue



2005-07 Expenses



2005-07 Budget: $4,428,085

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Annual Performance Evaluations

Measure: Completed annual performance evaluations

Strategic Goal: Help employees understand important role they play; increase timeliness of evaluations

Data Source: Annual evaluation records maintained by Human Resources

Annual Pct. Evaluations	2003	2004	2005 (to June 30)
On Time	33.3	45.5	100
Late	50	45.5	
Never done	16.7	9	

Discussion:

- Management change in 2003
- 2005 perfect score the result of four evaluations due so far this year

Current Pipeline Safety Initiatives

1. Implement new fee methodology if draft rule is adopted
2. Work with operators and local governments to establish standards for transmission rights-of-way
3. Conduct a study of small gas systems and develop policy recommendations
4. Work with operators to implement the new federal public awareness rule
5. Resolve three pending enforcement actions
6. Extend program and operational performance measures